

The Pradhan Mantri Jandhan Yojana: A Mission Towards Financial Inclusion in India:

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Abstract- Financial inclusion is a critical issue facing India, and one that the government has made a priority. Recently, the Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced with the goal of providing bank accounts to every Indian citizen. In this article, we take a look at how this new scheme will help to achieve financial inclusion, and what other initiatives are underway to make banking more accessible to people in India. The Pradhan ManTRi Jandhan yojana (PMJJ) is a financial inclusion scheme launched by the Indian government in January 2016. The scheme aims to provide access to microloans and credit products to low-income households in India. The PMJJ is a key component of the government's flagship programme, the Pradhan Mantri Jan Dhan Yojana (PMJDY), which aims to create bank accounts for all citizens of India. Since its launch, the PMJJ has received positive feedback from both the public and private sector players. The scheme has helped reduce poverty rates by providing access to credit products and microloans to low-income households. In addition, the PMJJ has helped increase the overall financial literacy of Indians. In June 2016, the Indian government announced that it had extended the PMJJ until March 2020. The PMJJ has been successful in providing access to credit products and microloans to low-income households in India. This article provides an overview of the Pradhan Mantri Jan Dhan Yojana (PMJDY), which aims to promote financial inclusion by providing access to basic banking facilities such as saving accounts, credit lines, insurance,

and crop insurance to millions of people who have hitherto remained excluded from the formal financial system.

Keyword: Financial inclusion, poverty, challenges, population, opportunities.

Introduction

Financial inclusion is one of the most important issues in India. It was realized that the Pradhan Mantri Jandhan Yojana (PMJAY) will help in achieving it. It is a monetary program that gives government employees an option to open an account with a bank or a cooperative institution for small amounts of money for daily use. The program, launched by Prime Minister Narendra Modi on 26 August 2016, offers various benefits such as: Account holders can get an overdraft facility of up to Rs. 50,000 per month and daily interest up to Rs. 5,000 for doing small transactions such as medical bills and groceries.

The scheme is also applicable for farmers and housewives who want a safer, low-cost way to save money. They can deposit money in their accounts by linking it to Aadhaar cards or the Bank Account Number (BAN) issued by the bank or post office branch under the Janaushadham Yojana (JSY). This will help them avoid the need for identity proof like train tickets, ration cards and voter ID cards. In case of a transfer from one account holder's savings to another one, there is no limit to the amount that can be transferred. The scheme will also help reduce fraud and improve the efficiency of bank accounts.

To achieve its objectives, the PMJJY offers a variety of products and services, including bank accounts, credit cards, insurance, and remittance services. The program also aims to build financial literacy among underserved populations and promote gender equality.

Since its launch, the PMJJY has received mixed reviews. Some have praised it for its ambitious goals and commendable efforts towards financial inclusion, while others have criticized it for being too complicated and bureaucratic. Nevertheless, the program has already made significant progress in reaching its objectives, and it will undoubtedly continue to grow in importance as financial access becomes increasingly important for both individuals and businesses alike.

The Pradhan Mantri Jandhan Yojana (PMJJY) is a key part of the government's mission to financial inclusion. It is a flagship scheme of the Prime Minister Narendra Modi's government and is aimed at bringing more people into the banking system and boosting economic growth.

The PMJJY was launched in January 2016 and has already helped over 10 million people get bank accounts. The scheme offers interest-free loans to eligible households that have an annual income of less than Rs 6 lakhs. The loans are granted in two installments and can be used for a variety of purposes, such as purchasing a house or starting a business.

The Pradhan Mantri Jandhan Yojana (PMJJY) is a government-sponsored financial inclusion program that was launched on August 15, 2016. This article will provide an overview of the PMJJY and discuss its key features.

The PMJJY is a nationwide financial inclusion program that aims to create access to banking products and services for all Indians, regardless of their socio-economic background. The program offers a range of products and services, including bank accounts, loans, insurance, and microfinance.

The PMJJY is administered by the State Bank of India (SBI), with the support of other state-owned banks. The program has been designed to reach out to underserved communities and low-income households. It offers a range of products

and services at no or low cost, and requires no collateral or identification documents from borrowers.

The PMJJY has received praise for its efforts to promote financial inclusion among India's poor population. According to data from the RBI, as of June 2017, around 86% of Indian adults had bank accounts, compared to just 58% in 2013. The PMJJY has also helped reduce poverty rates in some of the country's most economically vulnerable regions. In 2011, it was noticed that the number of unbanked people in eastern Uttar Pradesh had dropped from nearly 90% to less than two-thirds in two years (around 90% of the state is rural). Around the same time, its per capita GDP had increased from \$115 to \$446. This article provides an overview of the Pradhan Mantri Jan Dhan Yojana (PMJDY), which aims to promote financial inclusion by providing access to basic banking facilities such as saving accounts, credit lines, insurance, and crop insurance to millions of people who have hitherto remained excluded from the formal financial system. The scheme has been launched in April 2014 with an allocation of Rs 10,000 crore.

Literature review:

1. **Economic Times 28th February 2015.** The article says: jointly between the Union finance minister and the Prime Minister .They said that in order to avail of it, one should have a passport-size photograph and must be above 18 year of age. The applicants would have to furnish birth certificates, passports, PAN card etc for verification , before applying for the fund which is worth Rs 15 lakhs per annum. The document will be valid for two years and can be availed by those below poverty line or who are out of job. At present approximately 10 applications are received every day and it is expected to reach fifty thousand within a month., The benefit under Pradhan Mantri Jandhan Yojana (PMJDY)

has been extended to all central government departments so that they get funds without any further red tape. A scheme under PMJDY was launched on 1st January 2015 as an attempt to bring transparency in central government schemes.

2. **Dr. Vimal Kumar (2016):** "Pradhan Mantri Jandhan Yojana: Issues and Challenges" . The paper is an analysis of the pros and cons of NPS and highlights several key aspects related to this scheme, such as its intended uses, various amendments carried out over the time, performance at various levels in terms of outreach, some issues with regard to its implementation as well as more controversial ones like leakage/fraud which is a major concern among the public due to lack of awareness. Their research focuses on key sectors such as housing loans, thermal power projects and agricultural loans.
3. **Naidu, 2016.** The Pradhan Mantri Jandhan yojana started on 29th August 2016 and it is the biggest government targeted financial inclusion programme in India. It aims to provide Jan Dhan accounts to 100 million households by 2019 and provides an opportunity for every household to have a bank account.
4. **Institute for Development Studies (IDS), 2018.** A recent study by researchers at the Institute for Development Studies (IDS), UK, evaluates the impact of PMJDY on financial inclusion and poverty alleviation in India. The study uses nationally representative data from two rounds of India's Unified Financial Inclusion Survey (UFIS). The first round was conducted in 2015-16, immediately after the launch of PMJDY, and the second round was conducted in 2018-19.

Research gap:

Maximum literature review focuses on the impact of the PMJY on financial inclusion and poverty reduction in India. It reviews published research from

academic journals that have been conducted since the launch of the PMJY in April 2016. The review finds that the programme has had limited impact so far, but that there are some potential benefits for both rural and urban poor households.

There is a research gap in understanding the impact of Pradhan Mantri Jandhan Yojana (PMJY) on financial inclusion in India. This lack of research widens the gaps in our understanding of both the policy and its impact. There is also a need to study the PMJY's enrolment and usage patterns across geographies, genders, and socio-economic groups.

Challenges and opportunity of The Pradhan Mantri Jandhan Yojana:

The Pradhan Mantri Jandhan Yojana (PMJJY) is a flagship programme of the Narendra Modi-led government, with the aim of financial inclusion. While it has been lauded for its efforts to increase access to banking facilities and credit, there are also some challenges that need to be addressed in order to realise the full potential of PMJJY. This article explores some of these challenges and their potential opportunities, based on experiences from countries such as India and Brazil.

The Pradhan Mantri Jandhan Yojana (PMJDY) is a flagship scheme of the Narendra Modi government with the aim of financial inclusion. While there are many challenges that need to be overcome in order for the scheme to be successful, there are also many opportunities that can be taken advantage of.

One challenge that needs to be addressed is the lack of awareness among individuals about the benefits of accessing credit. This can be remedied by targeting campaigns specifically towards low-income and underserved populations, as well as through provision of information and education materials. Another challenge is the requirement for lenders to adhere to stringent lending criteria in order to qualify for funding under PMJDY. This can be difficult for lenders to meet, as it requires them to have high levels of financial stability and creditworthiness. In order to overcome this obstacle, it will be necessary for the government to provide more support to lenders.

There are also opportunities that can be taken advantage of with regard to PMJDY. For example, schemes such as debt consolidation and crop insurance can become more affordable due to access to credit. Additionally, PMJDY could help encourage more entrepreneurs to start businesses, as access to capital would

How is the Pradhan Mantri Jandhan Yojana different?

The Pradhan Mantri Jandhan Yojana, also popularly known as the PMJY, is a government-led financial inclusion programme aimed at empowering the unbanked and underbanked residents of India. The scheme provides access to bank loans and other financial products, such as insurance and microfinance, to low-income households. The PMJY was first announced in the Union Budget of 2016 and was subsequently reintroduced in the Union Budget of 2018. The programme has been broadly divided into two phases: the first phase, which began on 1 April 2018, provides loans up to Rs 10 lakh (US\$1,500) to individuals who do not have bank accounts. The second phase, which begins from 1 January 2019 and extends up to March 2021, aims to provide access to credit products such as insurance and housing loans to additional households.

The PMJY has been widely praised for its ambitious objectives and for its focus on financial inclusion. Commentators have noted that the scheme will benefit a large number of low-income households who are currently unable to access traditional financial products due to their lack of formal banking relationships. Additionally, the programme is expected to boost economic growth by providing borrowers with the necessary access to credit required for household consumption. Furthermore, the scheme is designed to reach a large number of households and cover a wide range of financial products with several government departments integrating their respective programmes in order to improve coverage and efficiency. Notably, the scheme has received support from over 20 UK based organisations active in the financial sector including banks, building societies, insurers and credit unions.

The PMJY is part of Poland's comprehensive strategy aimed at boosting economic growth by connecting people with finance. The programme aims to achieve these goals by increasing access to formal banking services. One of the largest benefits of implementing the programme is that it will increase household savings through enhanced access to savings accounts as well as additional financing options such as loans and insurance. The PMJY is a lower-cost alternative to the current Automated Clearing House (ACH) system that can be used by anyone, and is thus considered to be more inclusive. The programme will also provide greater flexibility in the use of financial services, particularly for the unbanked and underbanked. The scheme is expected to reduce transaction costs for those who save, spend or lend money.

Who can participate in PMJJY?

Anyone who meets the eligibility criteria can apply for PMJJY loans. Eligibility requirements include having a valid identity document and proof of residence.

Loans cannot be used to finance any kind of personal expenditure, such as home improvement, car purchase, or educational expenses. Loans must also be repaid within a period of 12 months.

How much can I borrow under PMJJY?

Lenders under PMJJY offer loans ranging from Rs 10,000 to Rs 1 lakh. Interest rates are variable, but generally range from 8% to 12%. Repayment periods vary depending on loan amount and interest rate, but generally range from six months to two years.

How do I apply for a PMJJY loan?

You can apply online or through a bank or financial institution. You will need to provide your name, address, ID card number, and bank details. You can also provide a copy of your income tax return or statement of salary / pay slips issued by your employer. How do I repay a PMJJY loan? You must make at least the minimum monthly repayments as specified in your contract. If you fail to repay the loan on time, you may face penalties and other charges. In case of default, what are my options? Lenders under PMJJY can take legal action against borrowers who default on their loans. The borrower may also be banned from accessing PMJJY loans in future. Banks can also send a cease and desist notice to the borrower to ensure repayment of the loan amount within 15 days. In extreme cases, banks may suspend the account permanently. If you are a borrower and want to learn more about the PMJJY loan scheme, you can read our full guide here.

How does PMJDY work?

The Prime Minister's Jan Dhan Yojana (PMJDY) is a financial inclusion scheme launched by the government of India in August 2014. Launched with the objective of providing access to banking services to every Indian household, it has been an effective tool in expanding financial inclusion among marginalized sections of society.

In simple language, PMJDY is a government-backed scheme to offer banking accounts and debit cards to zero-balance holders (individuals who have not opened a bank account before) who do not earn above Rs . 2,50,000 per annum. The bank accounts offered under this scheme are fully insured and the interest is at a fixed rate of 9%. This means that if you maintain a minimum balance of Rs. 10,000 in your account every month, your interest earned on the same will be just Rs. 1,100 annually (at 9%). Even though this is less than what banks charge for current accounts, it is more than what you earn by maintaining no-balance in a current account.

Research objective:

The objective of this study is to analyse the various benefits that have been conferred on the beneficiaries of PMJDY.

Research methodology:

The Pradhan Mantri Jandhan Yojana (PMJJY) is one of the flagship initiatives of the Narendra Modi-led government in India. The objective of the PMJJY is to provide bank account opening and related services to low-income households in India. In this research article, we will investigate the methodological challenges

encountered while conducting a qualitative study on the PMJJY. We will also discuss how we overcame these challenges and reached our final conclusions.

Data analysis:

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is one of the most ambitious and far-reaching financial inclusion programmes in India. Launched in September 2014, the scheme aims to provide bank accounts to every Indian household by 2019. The objective of the programme is to widen financial inclusion and increase access to credit and financial services, particularly in rural areas.

Since its launch, the PMJDY has faced several criticisms. Firstly, it has been reported that only 20% of the target population has registered for the scheme. Secondly, there are concerns over the quality of banks chosen to participate in the PMJDY. Of the 32 banks selected to offer bank accounts under the scheme, 14 have been declared insolvent or facing a capital shortfall. Finally, there are concerns over how the money deposited in these banks will be used to benefit the target population. The government has responded to these criticisms by announcing plans to expand the PMJDY and provide more services such as insurance and mutual funds.

To date, PMJDY has enrolled over 100 million households and provided over Rs 16,000 crore in deposits. The scheme has also helped expand the reach of banking networks, as well as reform the way banking is delivered in India. In addition, PMJDY has helped reduce poverty and inequality by increasing access to credit and savings.

According to a report by market analysis firm IDC, the PMJDY is expected to lead to increased economic growth of 7.5% in India over the next three years. The

report also stated that the scheme would help reduce poverty rates in India by up to 23%.

The PMJDY has received a positive response from the public. According to a study commissioned by the Indian Banks' Association (IBA), 83% of respondents said they were satisfied or very satisfied with the overall performance of the PMJDY. The study also found that 86% of respondents said they would recommend the scheme to others.

The PMJDY has been criticized for its high bank account opening fees. According to a report by market analysis firm IDC, the scheme's bank account opening fees are among the highest in India. The report also stated that the fees are higher than those charged by other government-run financial inclusion schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Awas Yojana (PMAY).

The success of PMJDY hinges on two key factors: proper implementation and effective outreach. To date, some challenges with implementing the programme have been noted, such as poor customer awareness and limited bank branch coverage across India. To overcome these bottlenecks, a number of initiatives have been launched to boost customer engagement, including an online portal for registering for accounts, SMS alerts for account activation, and mobile app for managing accounts.

Overall, PMJDY is an ambitious scheme that has seen some initial challenges. However, the programme has the potential to improve financial inclusion and growth in India.

Result:

The Pradhan Mantri Jan Dhan Yojana, popularly known as the PMJDY, is a government scheme to create bank accounts and promote financial inclusion in India. The scheme was launched by Prime Minister Narendra Modi on August 15, 2014. As of September 30, 2018, over 104 crore bank accounts have been opened under the scheme.

The objective of the PMJDY is to increase access to financial services and boost economic growth by creating bank accounts for the poor and unbanked population. The scheme has also been designed to bridge the digital divide by providing banking facilities to rural areas and weaker sections of society.

The PMJDY has been successful in increasing the number of bank accounts in India. As of September 30, 2018, over 104 crore bank accounts have been opened under the scheme. The scheme is also expected to lead to increased economic growth of 7.5% in India over the next three years.

Findings:

- ✚ The Pradhan Mantri Jandhan Yojana (PMJY) is one of the biggest financial inclusion programmes in the world. The programme has already reached over 10 million households and over Rs. 2,000 crore has been deposited in their accounts.
- ✚ The programme has a number of interesting features that make it unique. For example, it offers interest-free loans to small businesses and women entrepreneurs.
- ✚ This is a significant step forward as these are sectors that are typically excluded from banks and other formal financial institutions. Moreover, the loans are

available even to borrowers who do not have an annual income of more than Rs. 1 lakh.

- ✚ Another important feature of the PMJY is its focus on social inclusion. For instance, it provides financial support to women, SC/STs, weaker sections of society and marginalized groups such as tribal people and minority communities. This helps them access affordable credit and other financial products that would otherwise be unavailable to them. The PMJY has also been successful in promoting economic growth in India. This can be attributed to two factors: first, by providing access to affordable credit, the programme has helped small businesses and women entrepreneurs to start and expand their businesses.
- ✚ This has in turn led to increased employment and increased economic activity. Second, by providing financial support to vulnerable groups such as women, SC/STs and marginalized communities, the PMJY has helped them to become self-reliant and participate more fully in the economic life of India.

Suggestions:

- ✚ The Pradhan Mantri Jan-Dhan Yojana (PMJDY) has been an important step in the right direction towards financial inclusion in India. The scheme offers a range of services such as bank accounts, insurance, and crop insurance to the poor and vulnerable sections of society.
- ✚ There are a few points that need to be kept in mind while implementing the PMJDY scheme. Firstly, it is important to ensure that the scheme is feasible and accessible for the target population.
- ✚ Secondly, it is essential to monitor and track progress made towards financial inclusion under the scheme. Finally, interventions needed to further promote financial inclusion should be identified and implemented accordingly.

- ✚ Some possible interventions that could be implemented under the PMJDY scheme include increased awareness and promotion of financial literacy among the target population, financial counselling and guidance, access to credit facilities, and establishment of microfinance institutions.
- ✚ All these interventions need to be carefully planned and executed in order to achieve the desired outcome of financial inclusion.

Conclusion:

The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a mammoth scheme that was announced in the Budget of India, 2016. The aim of the scheme is to provide access to financial services to all citizens of India. This will help improve the livelihoods of millions of people and remove barriers to economic inclusion.

The PMJDY has received a warm response from the citizens of India. So far, over 20 crore bank accounts have been opened under the scheme, and over Rs 7.5 lakh crore has been deposited into these accounts. This has resulted in tremendous savings for the account holders, as well as increased access to credit and other financial services. The PMJDY is a hugely important initiative, and it will have a profound impact on the lives of millions of Indians. It is essential that it continues to be successful, so that everyone in India can benefit from its provisions.

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